

VZCZCXRO5624
PP RUEHCHI RUEHCN RUEHDT RUEHHM
DE RUEHJA #0701/01 1100932
ZNR UUUUU ZZH
P 200932Z APR 09 ZDK
FM AMEMBASSY JAKARTA
TO RUEHC/SECSTATE WASHDC PRIORITY 2160
INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS COLL
RUEHHE/AMEMBASSY HELSINKI 0953
RUEHBY/AMEMBASSY CANBERRA 3628
RUEHTC/AMEMBASSY THE HAGUE 3480
RUEHSM/AMEMBASSY STOCKHOLM 2105
RHEHNSC/NSC WASHDC
RHHMUNA/USCINCPAC HONOLULU HI
RUEKJCS/SECDEF WASHDC
RUEKJCS/JOINT STAFF WASHDC
RHEFDIA/DIA WASHDC

UNCLAS SECTION 01 OF 02 JAKARTA 000701

SENSITIVE
SIPDIS

DEPARTMENT FOR EAP/MTS, INR/EAP
DEPARTMENT PLEASE PASS AID
USAID FOR ANE/EAA

E.O. 12958: N/A

TAGS: [PGOV](#) [PREL](#) [SOCI](#) [ID](#)

SUBJECT: SBY TAKES STOCK: ACEH RECONSTRUCTION AGENCY (BRR) ENDS
OPERATIONS

JAKARTA 00000701 001.2 OF 002

11. (SBU) Summary. The Aceh and Nias Rehabilitation and Reconstruction Agency (BRR), created in the wake of the 2004 Indian Ocean Tsunami, formally ended its 4-year mandate in a ceremony held in Banda Aceh on April 15. Over the course of its existence BRR built or rebuilt nearly 140,000 homes, 3,700 kilometers of road, and some 1,700 schools. The closure represents the end of formal Jakarta-directed reconstruction work, although budget allocations of remaining reconstruction money to the Aceh provincial government and ministries in Jakarta will ensure that work on unfinished projects continues. BRR was a new way of doing business for the GOI and represented a strong commitment by the Yudhoyono administration to efficiency and results. The Government is considering using elements of the model in addressing other pressing development priorities. End Summary.

Most of the Job Done and Done Well

12. (U) BRR's closing was marked with a series of events in Aceh and Jakarta during the week of April 13. A small flag-lowering ceremony attended by the Director of the USAID Aceh Reconstruction and Rehabilitation Office was held at the BRR Office on Wednesday, April 15 in Banda Aceh. The ceremony in Aceh preceded official events in Jakarta which included donors, the national government, and Aceh Governor Irwandi Yusuf. Overall impressions of BRR's work within Aceh remain positive, while criticisms over certain shortcomings are confined to irregularities and deficiencies that are well within the range expected given the massive reconstruction effort.

13. (U) BRR reports that it allocated \$6.7 billion dollars of the \$7.2 billion pledged by individuals and governments after the 2004 Indian Ocean Tsunami that killed over 130,000 Acehnese. BRR data also shows that construction during the past four years included over 140,000 houses, 3,700 kilometers of roads, 1,700 schools, 1,100 medical facilities, 1000 governmental buildings, 363 bridges, 23 seaports, and 13 airports and airstrips. BRR also rehabilitated 101,000 hectares of farmland. Beyond reconstruction and rehabilitation BRR assisted 195,000 small and medium-sized enterprises and trained 155,000 workers and nearly 44,000 teachers throughout Aceh.

Unfinished Business

14. (U) Despite the scale of the reconstruction efforts already completed, there remain a number of outstanding projects as of the official closing of BRR. During an April 16 interview BRR Head Kuntoro Mangkusubroto listed housing complexes for tsunami victims in several locations and bridges still under construction in Aceh Jaya and Aceh Tamiang districts. Kuntoro estimated the total funds being transferred to provincial and district administrations for completion of the projects at 3.3 trillion Rupiah. (Over \$308 million at current exchange rates) Questions regarding the ability of the local government to administer the remaining relief funds have already been raised. Governor Irwandi rejects the notion that the provincial government is not up to the task of administering the funds. He also announced on April 15 to media that the Aceh Provincial Government will use a special 2009 budget of 1.3 trillion Rupiah (over \$120 million) to finish any projects the BRR did not complete.

SBY Pleased with BRR Performance

15. (U) On April 17, Indonesian President Susilo Bambang Yudhoyono hosted a closure ceremony at the Palace to recognize the achievements of BRR and to bask in the afterglow of the same. The ceremony was attended by the Vice President, the Governors of Aceh and North Sumatra as well as other GOI figures, representatives from NGOs, and the donor community. BRR head Kuntoro used the occasion to preview a presentation he will be giving at the United Nations in New York later this month. He and the GOI are casting their presentation as a statement of "emergency best practices" which have relevance for the rest of the world. They showed a slick video and distributed eye-catching materials capturing the impressive physical

JAKARTA 00000701 002.2 OF 002

accomplishments of the response.

The President on Lessons Learned

16. (U) The President outlined 11 lessons he had learned from the BRR experience. Most of them sounded like a primer in "Management 101" but they also reflected a break with many of the traditional approaches which characterize the business of government in Indonesia. He believes that the model of the BRR was clearly a different way of doing business. In brief, his lessons were divided between the "Emergency Phase" of the response (do first things first, focus on those things that had the most life saving potential, practice crisis action management, welcome all assistance, coordinate the response) and the "Recovery Phase" (set clear goals and have a simple, workable master plan that is time- and resource-bound, use and empower good organizations, keep operations clean, get strong leadership). He then added a last lesson - given Indonesia's disaster profile, the risks of climate change, etc. - Indonesia must put in place an attitude of constant "national disaster readiness."

Linking the Tsunami with Peace

17. (U) The President repeatedly drew attention to the linkages between the disaster response and the peace process in Aceh. Both were key missions for his administration. When discussing his lesson of accepting all humanitarian assistance, he talked frankly about concerns within the GOI about the presence of outsiders in Aceh. He recognized the contributions of his Vice President in realizing the 2005 Helsinki MoU and peace agreement. As contributing factors he listed the humanitarian activities of the TNI, support from across the political spectrum for a negotiated solution, the desire of the people, and international support. Regarding international support, he added the clarification that it was support which worked with Indonesian "ownership." Finally, he noted that the commitment of top leadership to the process and willingness to take risks were critical success factors.

18. (SBU) Comment. The President and his colleagues were clearly basking in the glow of this success. When the BRR was established there were many naysayers who predicted that the GOI would not be capable of managing a disaster response of this magnitude in a timely, effective and "clean" way. The GOI demonstrated that, with the right kind of management and incentives, they were up to the job. The success of the effort certainly ruffled other elements of the GOI. Nonetheless, that it was a model that delivered results has not been lost to a broader audience. During his comments, for example, the President referred to the interest of the Governor of Papua in adopting aspects of the BRR model for his province. On the margins of the reception insiders were speculating about Kuntoro's future in a new cabinet or within the United Nations.

HUME